

Bill No. SB 1100

Barcode 583296

601-2093A-07

Proposed Committee Substitute by the Committee on General
Government Appropriations

1 A bill to be entitled

2 An act relating to the regulation of securities

3 transactions; amending s. 517.12, F.S.;

4 increasing the registration and filing fees for

5 dealers and investment advisers who deal or

6 trade in securities; deleting provisions

7 providing for an assessment fee to be allocated

8 to the Securities Guaranty Fund; increasing the

9 fees imposed for making or renewing a notice

10 filing; amending s. 517.1201, F.S.; increasing

11 the filing fees and late fees for federal

12 covered advisers who engage in certain

13 securities transactions; repealing ss. 517.1203

14 and 517.1204, F.S., relating to the allocation

15 and disbursement of assessment fees and the

16 Investment Fraud Restoration Financing

17 Corporation; amending s. 517.131, F.S.;

18 revising the formula for transferring revenues

19 received as assessment fees into the Securities

20 Guaranty Fund; amending s. 517.315 , F.S.;

21 revising requirements for the Office of

22 Financial Regulation with respect to the

23 deposit of fees collected under ch. 517, F.S.;

24 providing an effective date.

25

26 Be It Enacted by the Legislature of the State of Florida:

27

28 Section 1. Subsection (10) and paragraphs (b) and (e)

29 of subsection (17) of section 517.12, Florida Statutes, are

30 amended to read:

31 517.12 Registration of dealers, associated persons,

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1 investment advisers, and branch offices.--

2 (10) An applicant for registration shall pay an
3 assessment fee of \$250 ~~\$200~~, in the case of a dealer or
4 investment adviser, or \$70 ~~\$40~~, in the case of an associated
5 person. ~~The assessment fee of an associated person shall be~~
6 ~~reduced to \$30, but only after the office determines, by final~~
7 ~~order, that sufficient funds have been allocated to the~~
8 ~~Securities Guaranty Fund pursuant to s. 517.1203 to satisfy~~
9 ~~all valid claims filed in accordance with s. 517.1203(2) and~~
10 ~~after all amounts payable under any service contract entered~~
11 ~~into by the office pursuant to s. 517.1204, and all notes,~~
12 ~~bonds, certificates of indebtedness, other obligations, or~~
13 ~~evidences of indebtedness secured by such notes, bonds,~~
14 ~~certificates of indebtedness, or other obligations, have been~~
15 ~~paid or provision has been made for the payment of such~~
16 ~~amounts, notes, bonds, certificates of indebtedness, other~~
17 ~~obligations, or evidences of indebtedness.~~ An associated
18 person may be assessed an additional fee to cover the cost for
19 the fingerprint cards to be processed by the office. Such fee
20 shall be determined by rule of the commission. Each dealer and
21 each investment adviser shall pay an assessment fee of \$100
22 for each office in this state. Such fees become the revenue of
23 the state, except for those assessments provided for under s.
24 517.131(1) until such time as the Securities Guaranty Fund
25 satisfies the statutory limits, and are not returnable in the
26 event that registration is withdrawn or not granted.

27 (17)

28 (b) A notice filing under this subsection must consist
29 of documents the commission by rule requires to be filed,
30 together with a consent to service of process and a
31 nonrefundable filing fee of \$250 ~~\$200~~. The commission may

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1 establish by rule procedures for the deposit of fees and the
2 filing of documents to be made by electronic means, if such
3 procedures provide the office with the information and data
4 required by this section.

5 (e) A notice filing is effective upon receipt by the
6 office. A notice filing expires on December 31 of the year in
7 which the filing becomes effective unless the Canadian dealer
8 has renewed the filing on or before that date. A Canadian
9 dealer may annually renew a notice filing by furnishing to the
10 office such information as the office requires together with a
11 renewal fee of \$250 ~~\$200~~ and the payment of any amount due and
12 owing the office pursuant to any agreement with the office.
13 Any Canadian dealer who has not renewed a notice filing by the
14 time a current notice filing expires may request reinstatement
15 of such notice filing by filing with the office, on or before
16 January 31 of the year following the year the notice filing
17 expires, such information as the commission requires by rule,
18 together with the payment of \$250 ~~\$200~~ and a late fee of \$250
19 ~~\$200~~. A reinstatement of a notice filing granted by the office
20 during the month of January is effective retroactively to
21 January 1 of that year.

22 Section 2. Subsections (1) and (2) of section
23 517.1201, Florida Statutes, are amended to read:

24 517.1201 Notice filing requirements for federal
25 covered advisers.--

26 (1) It is unlawful for a person to transact business
27 in this state as a federal covered adviser unless such person
28 has made a notice filing with the office. A notice filing
29 under this section shall consist of a copy of those documents
30 that have been filed or are required to be filed by the
31 federal covered adviser with the Securities and Exchange

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Commission that the Financial Services Commission by rule requires to be filed, together with a consent to service of process and a filing fee of \$250 ~~\$200~~. The commission may establish by rule procedures for the deposit of fees and the filing of documents to be made through electronic means, if the procedures provide to the office the information and data required by this section.

(2) A notice filing shall be effective upon receipt. A notice filing shall expire on December 31 of the year in which the filing became effective unless the federal covered adviser has renewed the filing on or before that date. A federal covered adviser may renew a notice filing by furnishing to the office such information that has been filed or is required to be filed with the Securities and Exchange Commission, as the Financial Services Commission or office may require, together with a renewal fee of \$250 ~~\$200~~ and the payment of any amount due and owing the office pursuant to any agreement with the office. Any federal covered adviser who has not renewed a notice filing by the time a current notice filing expires may request reinstatement of such notice filing by filing with the office, on or before January 31 of the year following the year the notice filing expires, such information that has been filed or is required to be filed with the Securities and Exchange Commission as may be required by the Financial Services Commission or office, together with the payment of \$250 ~~\$200~~ and a late fee equal to \$250 ~~\$200~~. Any reinstatement of a notice filing granted by the office during the month of January shall be deemed effective retroactive to January 1 of that year.

Section 3. Sections 517.1203 and 517.1204, Florida Statutes, are repealed.

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Section 4. Subsection (1) of section 517.131, Florida Statutes, is amended to read:

517.131 Securities Guaranty Fund.--

(1)(a) The Chief Financial Officer shall establish a Securities Guaranty Fund. An amount not exceeding 20 percent of all revenues received as assessment fees pursuant to s. 517.12(10) and (11) for dealers and investment advisers or s. 517.1201 for federal covered advisers and an amount not exceeding 10 percent of all revenues received as assessment fees pursuant to s. 517.12(10) and (11) for associated persons shall be ~~allocated to the fund. An additional amount not exceeding 3.5 percent of all revenues received as assessment fees for associated persons pursuant to s. 517.12(10) and (11) shall be allocated to the Securities Guaranty Fund but only after the office determines, by final order, that sufficient funds have been allocated to the fund pursuant to s. 517.1203 to satisfy all valid claims filed in accordance with s. 517.1203(2) and after all amounts payable under any service contract entered into by the office pursuant to s. 517.1204, and all notes, bonds, certificates of indebtedness, other obligations, or evidences of indebtedness secured by such notes, bonds, certificates of indebtedness, or other obligations, have been paid or provision has been made for the payment of such amounts, notes, bonds, certificates of indebtedness, other obligations, or evidences of indebtedness.~~ This assessment fee shall be part of the regular license fee and shall be transferred to or deposited in the Securities Guaranty Fund.

(b) If the fund at any time exceeds \$1.5 million, ~~transfer allocation~~ of assessment fees to this fund shall be discontinued at the end of that license year, and transfer of

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such assessment fees shall not be resumed ~~reimposed~~ unless the fund is reduced below \$1 million by disbursement made in accordance with s. 517.141.

Section 5. Section 517.315, Florida Statutes, is amended to read:

517.315 Fees.--All fees ~~and charges~~ of any nature collected by the office pursuant to this chapter shall be disbursed as follows:

(1) The office shall transfer the amount of fees required to be deposited into the Securities Guaranty Fund pursuant to s. 517.131;

(2) After the transfer required in subsection (1), the office shall transfer 50 percent of the remaining fees and charges to the General Revenue Fund; and

(3) All remaining fees shall be deposited into the Regulatory Trust Fund. Such funds shall be used to pay the office's administrative costs related to its duties and responsibilities under this chapter. ~~except the fees and charges collected pursuant to s. 517.131, shall be paid into the State Treasury and credited to the General Revenue Fund; and an appropriation shall be made annually of necessary funds for the administration of the provisions of this chapter.~~

Section 6. This act shall take effect July 1, 2007.